"Strengthening Employment Clusters to Organize Regional Success (SECTORS) Act"

Overview – Industry or sector partnerships organize stakeholders connected to an industry—multiple firms, unions, education and training providers, and local workforce and education system administrators among others—to develop plans for growing (or saving) that industry, with a particular focus on building new workforce pipelines where skilled worker shortages exist and transforming the ways existing workers are utilized, retrained and compensated. These partnerships have long been recognized as key strategic element within some of the most successful state and local workforce development efforts in the country, but current federal policy does not provide adequate support for these initiatives.

The "Strengthening Employment Clusters to Organize Regional Success (SECTORS) Act of 2099" would amend the Workforce Investment Act of 1998 and establishes a new Industry or Sector Partnership Grant program administered by the U.S. Department of Labor. Grants are intended to allow recipients to establish or expand industry or sector partnerships that lead collaborative planning, resource alignment, and training efforts across multiple firms for current and potential workers within the targeted industry cluster.

Types of Grants - Eligible entities may apply for a one year planning grant of up to $250,000 and a three year implementation grant of up to $2.5 million. Eligible entities receiving an implementation grant may apply for a $1.5 million renewal grant for an additional three years if certain conditions are met. Eligible entities must leverage increasing amounts of non-federal funding each year they receive federal funding.

Priority in awarding grants will be given to eligible entities that work with high road employers, help workers move toward economic self-sufficiency, address the needs of firms with limited human resources or training capacity (including small- and medium-sized firms), and coordinate with State and local entities engaged in workforce investment, economic development, and educational activities.

Careful Targeting of Industry Clusters – Prospective grantees are required to identify targeted industry clusters using a number of criteria, including the competitiveness of the industry cluster, importance of the cluster to the economic development of the area or region being served, demonstrated demand for skilled workers and the availability of jobs and career opportunities leading to economic self-sufficiency for current and potential workers.

Broad Range of Required Grant Activities - Grantees must commit to carrying out a range of strategic activities, including identifying and aggregating the training needs of multiple employers, helping postsecondary educational institutions and other training providers align curricula and programs to meet industry demand, and improving job quality through improving wages, benefits, and working conditions for workers.

Rigorous Reporting and Program Evaluation Requirements - Grantees must submit annual reports on grant-funded activities, and must conduct annual evaluations of progress towards strategic objectives, using predetermined performance measures with quantifiable benchmarks.

Robust Technical Assistance and Information Sharing - The SECTORS Act requires the Secretary of Labor to promote the success of the Industry or Sector Grant program by providing technical assistance to eligible entities applying for and administering the grants, issuing performance measures, and disseminating information on best practices in industry or sector partnerships through conferences, websites, and annual reviews.

Enhanced Coordination of Federal Training and Education Programs - The SECTORS Act increases the coordination and alignment of existing education and training programs by requiring the heads of all Federal agencies and departments to maintain up-to-date information on the impact of their policies on workers, and to develop and implement policies that improve the jobs and careers of affected workers.